

## *Department of State - Secretary of State*

	FY 2013 ACTUAL	FY 2014 ESTIMATE	FY 2015 BASELINE
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	139.1	141.1	141.1
Personal Services	4,828,200	5,072,900	5,072,900
Employee Related Expenditures	2,031,400	2,082,600	2,082,600
Professional and Outside Services	205,000	315,300	315,300
Travel - In State	11,800	11,900	11,900
Travel - Out of State	24,800	24,800	24,800
Other Operating Expenditures	3,016,800	2,954,100	2,954,100
Equipment	134,900	134,900	134,900
<b>OPERATING SUBTOTAL</b>	<b>10,252,900</b>	<b>10,596,500</b>	<b>10,596,500</b>
<b>SPECIAL LINE ITEMS</b>			
Election Services	4,164,300	1,031,600	4,931,600
Help America Vote Act (HAVA)	2,060,900	2,941,000	2,941,000
Library Grants-in-Aid	530,000	651,400	651,400
Statewide Radio Reading Service for the Blind	97,000	97,000	97,000
<b>AGENCY TOTAL</b>	<b>17,105,100</b>	<b>15,317,500</b>	<b>19,217,500</b>
<b>FUND SOURCES</b>			
General Fund	14,457,400	11,635,500	15,535,500
<u>Other Appropriated Funds</u>			
Election Systems Improvement Fund	2,060,900	2,941,000	2,941,000
Records Services Fund	586,800	741,000	741,000
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>2,647,700</b>	<b>3,682,000</b>	<b>3,682,000</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>17,105,100</b>	<b>15,317,500</b>	<b>19,217,500</b>
Other Non-Appropriated Funds	976,700	830,000	655,000
Federal Funds	4,348,500	3,648,600	3,648,600
<b>TOTAL - ALL SOURCES</b>	<b>22,430,300</b>	<b>19,796,100</b>	<b>23,521,100</b>

**AGENCY DESCRIPTION** — The Secretary of State is an elected Constitutional Officer. The Department of State is responsible for recordings and filings under the Uniform Commercial Code (U.C.C.); coordinating statewide elections; receiving required filings from legislators, state officials, judges, candidates for office, campaign committees, and lobbyists; receiving filings of administrative rules, intergovernmental agency agreements, and official executive orders/proclamations; registering trade names, trademarks and limited partnerships; appointing notaries public; and certifying certain telemarketing and charitable solicitation organizations. In addition, the Department of State is the archival authority and designated repository for historical records and documents of state and local governments, as well as a designated federal document regional repository.

### *Operating Budget*

The Baseline includes \$10,596,500 and 131.1 FTE Positions in FY 2015 for the operating budget. These amounts consist of:

	FY 2015
General Fund	\$9,855,500
Record Services Fund	741,000

These amounts are unchanged from FY 2014.

### *Election Services*

The Baseline includes \$4,931,600 and 10 FTE Positions from the General Fund in FY 2015 for Election Services. FY 2015 adjustments would be as follows:

Election Year Funding	GF	3,900,000
The Baseline includes an increase of \$3,900,000 from the General Fund in FY 2015 for election year funding. This adjustment would bring Election Services funding to an amount similar to what was expended in FY 2013, which was the last fiscal year with a major election cycle. This change reflects the increased funds needed to conduct		

primary elections held in August 2014 and the general election in November 2014.

This line item funds election-related activities, including voter registration and the certification of candidates, voting devices and the results of statewide elections. Funding is also used to publish the publicity pamphlet on state ballot propositions.

For state elections, statute requires the Secretary of State to: 1) reimburse counties for the costs of printing, labeling, and postage for sample ballots; 2) pay the cost of any recount of votes; 3) reimburse the County Recorder for the costs of certifying petition and referendum signatures; and 4) print and mail a publicity pamphlet to every household with a registered voter for any initiative or referendum.

#### **Help America Vote Act (HAVA)**

The Baseline includes \$2,941,000 from the Election Systems Improvement Fund in FY 2015 for the Help America Vote Act (HAVA) (P.L. 107-252). This amount is unchanged from FY 2014.

HAVA is federal election reform legislation that imposes several requirements on the states with respect to the conduct of federal elections. Assuming the Secretary of State spends the full appropriations in FY 2014 and FY 2015, approximately \$4,359,800 in HAVA monies would be available in FY 2016.

#### **Library Grants-in-Aid**

The Baseline includes \$651,400 from the General Fund in FY 2015 for Library Grants-in-Aid. This amount is unchanged from FY 2014.

Monies in this Special Line Item (SLI) are used to fund a portion of the state maintenance of effort that is required for receipt of federal dollars under the Library Services and Technology Act (LSTA). Receipt of LSTA monies is dependent on the state's ability to meet a maintenance-of-effort requirement, which is tied to the state contribution made in each of the 3 prior years.

#### **Statewide Radio Reading Service for the Blind**

The Baseline includes \$97,000 from the General Fund in FY 2015 for Statewide Radio Reading Service for the Blind. This amount is unchanged from FY 2014.

Monies in this SLI are used to provide information access services for blind and visually impaired individuals. Services include radio information broadcasts, a telephone and web-based news reading service, and internet radio broadcasting for individuals who are outside the range of the radio broadcast.

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**FORMAT — Operating Lump Sum with Special Line Items by Agency**

#### **FOOTNOTES**

##### *Standard Footnotes*

Included in the operating lump sum appropriation of \$10,596,500 for FY 2015 is \$5,000 for the purchase of mementos and items for visiting officials.

Any transfer to or from the amount appropriated for the Election Services line item shall require review by the Joint Legislative Budget Committee.

The FY 2015 appropriation from the Election Systems Improvement Fund for HAVA is available for use pursuant to A.R.S. § 35-143.01C and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations, until June 30, 2016.

The Secretary of State shall report to the Joint Legislative Budget Committee and the Governor's Office of Strategic Planning and Budgeting on or before December 31, 2014 the actual amount and purpose of expenditures from the Election Systems Improvement Fund in FY 2014 and the expected amount and purpose of expenditures from the fund for FY 2015.

The \$651,400 appropriation from the Library Grants-In-Aid Special Line Item is a continuing appropriation and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.

#### **SUMMARY OF FUNDS**

##### **Address Confidentiality Program Fund (STA2557/A.R.S. § 41-169)**

##### **Non-Appropriated**

**Source of Revenue:** An assessment of \$50 imposed on all persons convicted of domestic violence, stalking, or certain sexual offenses.

**Purpose of Fund:** To administer the Address Confidentiality Program. This program allows the Secretary of State to establish an alternate public address to protect victims of domestic violence, stalking, and sexual offenses.

**Funds Expended**

53,400

53,400

**Year-End Fund Balance**

72,200

132,100

SUMMARY OF FUNDS	FY 2013 Actual	FY 2014 Estimate
<b>Arizona Blue Book Revolving Fund (STA2006/A.R.S. § 41-131)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Proceeds from the sales of Arizona Blue Books and legislative appropriations.		
<b>Purpose of Fund:</b> To publish the Arizona Blue Book, which contains information about the state's Executive, Legislative, and Judicial Branches.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	11,200	11,200
<b>Data Processing Acquisition Fund (STA2265/A.R.S. § 41-127)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> A special recording fee on Uniform Commercial Code and other filings.		
<b>Purpose of Fund:</b> To defray the cost of improving data processing within the Office of the Secretary of State. Any uncommitted monies in excess of \$250,000 at the close of the calendar year revert to the General Fund.		
<b>Funds Expended</b>	111,800	111,800
<b>Year-End Fund Balance</b>	314,000	436,200
<b>Election Systems Improvement Fund (STA2357/A.R.S. § 41-129)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Monies received from the United States government, matching monies from state, county or local governments, legislative appropriations, gifts, grants, and donations. Any monies deposited into the fund in FY 2003 and FY 2004 are appropriated to the Secretary of State. Monies deposited in the fund each subsequent year, including Federal Funds, are subject to legislative appropriation.		
<b>Purpose of Fund:</b> To implement the provisions of the Help America Vote Act (HAVA) (P.L. 107-252). HAVA is federal election reform legislation that imposes several requirements on the states with respect to the conduct of federal elections, including replacement of all punch-card and lever voting machines, implementation of a statewide voter registration database, and implementation of a voting system that meets federal standards.		
<b>Funds Expended</b>	2,060,900	2,941,000
<b>Year-End Fund Balance</b>	9,893,400	7,300,800
<b>Election Training Fund (STA2521/A.R.S. § 16-407)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Receives money from cities and towns whose employees take election training courses.		
<b>Purpose of Fund:</b> To provide election training to officials from cities and towns.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	2,800	3,400
<b>Federal Grants - American Recovery and Reinvestment Act (ARRA) (STA2999/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> One-time Federal Funds allocated by the American Recovery and Reinvestment Act of 2009 (P.L. 111-5).		
<b>Purpose of Fund:</b> One-time Federal Funds to be used by the department to purchase public access computers and equipment for job training centers at local libraries throughout Arizona. Also, to provide protection for women and their children leaving abusive relationships.		
<b>Funds Expended</b>	798,400	0
<b>Year-End Fund Balance</b>	0	0
<b>Federal Grants Fund (LAA2000/A.R.S. § 41-151.06)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Federal grants awarded to the state for library purposes.		
<b>Purpose of Fund:</b> Prescribed by the federal grantor for statewide library purposes.		
<b>Funds Expended</b>	3,550,100	3,648,600
<b>Year-End Fund Balance</b>	753,400	1,166,500
<b>Health Care Directives Registry (STA2508/A.R.S. § 36-3297)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Donations from private investors.		
<b>Purpose of Fund:</b> To support, promote and maintain the Health Care Directives Registry.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0

SUMMARY OF FUNDS	FY 2013 Actual	FY 2014 Estimate
<b>IGA and ISA Fund (STA2500/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Intergovernmental Agreements and Internal Service Agreements with other state agencies.		
<b>Purpose of Fund:</b> To record and manage Intergovernmental Agreements and Internal Service Agreements.		
<b>Funds Expended</b>	0	175,000
<b>Year-End Fund Balance</b>	0	0
<b>Museum Gift Shop Revolving Fund (LAA4008/A.R.S. § 41-151.24)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Proceeds from the sale of merchandise at the Capitol Museum Gift Shop.		
<b>Purpose of Fund:</b> To provide for state-related inventory to be sold at the Capitol Museum Gift Shop.		
<b>Funds Expended</b>	39,300	39,300
<b>Year-End Fund Balance</b>	151,900	198,300
<b>Notary Bond Fund (STA3000/A.R.S. § 41-314)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund receives a portion of the fee collected from the processing of notary bonds.		
<b>Purpose of Fund:</b> To defray the cost associated with the processing and administration of notary bonds.		
<b>Funds Expended</b>	97,400	97,400
<b>Year-End Fund Balance</b>	45,600	78,100
<b>Notary Education Fund (STA2585/A.R.S. § 41-332)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> A fee collected from persons attending a mandatory notary training course.		
<b>Purpose of Fund:</b> To defray the cost associated with conducting notary education courses.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Professional Employer Organization Fund (STA2520/A.R.S. § 23-576)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Professional Employer Organization (PEO) registration and renewal fees.		
<b>Purpose of Fund:</b> To pay the costs of administering PEO registration and investigating any allegations of malfeasance. The FY 2014 Government Budget Reconciliation Bill (Laws 2013, 1 <sup>st</sup> Special Session, Chapter 2) delayed the implementation of the PEO registration program until the end of FY 2023.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Records Services Fund (LAA2431/A.R.S. § 41-151.12)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Fees collected from state agencies, political subdivisions, and other governmental units for records storage services.		
<b>Purpose of Fund:</b> To help defray costs of preserving and managing the state of Arizona's public records.		
<b>Funds Expended</b>	586,800	741,000
<b>Year-End Fund Balance</b>	443,000	581,900
<b>Standing Political Committee Administrative Fund (STA2426/A.R.S. § 41-128)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Filing fees paid by standing political committees.		
<b>Purpose of Fund:</b> To pay the costs of administering and enforcing the campaign finance laws relating to standing political committees.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	24,500	25,800
<b>State Library Fund (LAA2115/A.R.S. § 41-151.06)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Private donations, private grants and monies collected through charges for reproduction of materials in the Research Division.		
<b>Purpose of Fund:</b> To improve statewide library service.		
<b>Funds Expended</b>	674,800	353,100
<b>Year-End Fund Balance</b>	1,273,600	1,145,200